

TENNESSEE REGULATORY AUTHORITY

Deborah Taylor Tate, Chairman
Pat Miller, Director
Sara Kyle, Director
Ron Jones, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

December 5, 2003

Guilford F. Thornton, Jr.
Stokes Bartholomew Evans & Petrie
424 Church Street
Nashville, Tennessee 37219-2386

RE: Docket # 03-00602

Dear Mr. Thornton:

CLEC applicants are required, by statute, to demonstrate their managerial, financial and technical abilities to provide the services for which they seek authority. To assist the Authority in its review of BellSouth Long Distance, Inc.'s application for a Certificate of Convenience and Necessity to provide competing facilities-based local services in Tennessee, you are requested to provide the following information:

1. Please provide the original bond. Only copies of the bond were received with the Application.
2. In its Application, Bell South Long Distance, Inc. ("BSLD") has stated that it is submitting the 2002 SEC Form 10-K of its parent company, BellSouth Corporation ("BellSouth"), in support of its financial qualifications. Pursuant to 47 USC Section 272 (b) (2) Structural and Transactional Requirements.—The separate affiliate required by this section—(2) shall maintain books, records, and accounts in the manner prescribed by the Commission which shall be separate from the books, records, and accounts maintained by the Bell operating company of which it is an affiliate. Please provide financial statements for BellSouth Long Distance, Inc. including balance sheet, income statement and statement of cash flows for year end 2002 and the most recent interims for 2003.
3. Please provide a copy of BellSouth Long Distance, Inc.'s certificate to do business in the State of Tennessee. A copy of the application submitted to the Secretary of State's office was included in your Application.
4. Will any BellSouth Corporate entities such as BellSouth Carrier Professional Services, Inc. perform operations, installation or maintenance functions for BSLD?
5. Will BSLD jointly own any fixed assets with BellSouth or any of BellSouth's affiliates? If so, please explain the extent of these fixed assets.
6. Will BSLD obtain credit under any arrangement that will permit a creditor, upon default, to have recourse to the assets of BellSouth Corporation or any of BellSouth's affiliates?
7. Please describe written procedures and/or training materials/classes to be used to educate BSLD employees of 47 U.S.C. § 272 requirements.

8. Mr. Rex Adams is noted in BSLD's application as one of BSLD's senior management team. Please provide a more detailed explanation of Rex Adams' position at BSLD and his relationship to BellSouth Corporation. Is Mr. Adams an employee of BellSouth Corporation or Bell South Long Distance, Inc.?

9. Mr. Joe Gilman is noted in BSLD's application as one of BSLD's senior management team. Please provide an explanation of Joe Gilman's position at BSLD and his relationship to BellSouth Corporation. Is Mr. Gilman an employee of BellSouth Corporation or BellSouth Long Distance, Inc.?

10. Does BSLD maintain separate officers, directors and employees from BellSouth Corporation and/or any of BellSouth Corporation's affiliates?

11. Will there be any shared or common costs between BSLD and its parent or any of the BellSouth Corporation affiliates? If so, is there a cost allocation plan and written procedures in place to allocate any shared or common costs between BSLD and its parent or any of the BellSouth Corporation affiliates? If so, please provide a copy of the written procedures. If not, please explain?

12. Will the TRA be provided access to the books and records of both BSLD and BellSouth Corporation to determine if the company is in compliance with the cost allocation plan and 47 U.S.C. § 272 requirements?

13. Will the cost allocation plan be audited by an independent auditor? If so, how often? Will a separate opinion be issued on the cost allocation plan.

Please provide this information by December 12, 2003. If you have any questions concerning this request or need additional information, please call Patsy Fulton at 615-741-2904 ext. 193.

Sincerely,



Joe Werner
Telecommunications Chief
Cc: Docket file